



Town of Shrewsbury

MASSACHUSETTS 01545-5398

October 19, 2015

To: Insurance Advisory Committee (IAC)

From: Daniel J. Morgado

Re: WSHG Steering Committee Meeting

Today, the WSHG Steering Committee met and discussed the following:

1. There has been an improvement of the fund balance for the quarter ending September 30, 2015. The fund balance was \$5,118,695 up from the fund balance ending August 31, 2015 of \$3,992,386.
2. The expense ratio for the Harvard-Pilgrim HMO plans shows a deficit \$198,897. Blue Cross is in the black. Data for Fallon and Tufts is not available as of yet for the quarter ending September 30th. The trend is positive at the moment indicating that the rates are covering expenses.
3. The run out of claims for the four entities that left the WSHG on June 30, 2015, have slowed. To date, \$1,564,867 was paid. We expect to see the final tally be under \$1.7 Million.
4. The main topic of discussion was the matter of amending the joint purchase agreement around the question of mid-year withdrawals and how the run out of claims is to be handled.

After much discussion, the consensus was to seek to amend the agreement allowing a January 1 withdrawal provided the community pays its respective run out claims. Also, for those communities that leave WSHG on June 30th, a one month payment of the claims run out will be required. There was some discussion about limiting this payment should the fund balance return to the recommended range of 8%-12% of annual claims.

To amend the joint purchase agreement, we need 2/3rds of the members to agree.

It was agreed that the full WSHG Board will meet on November 24th to see if consensus can be reached on these changes.

Please advise me directly with any questions.

Cc Union/Association Presidents
 Kristen Las
 Michael Hale
 Patrick Collins
 Barbara Malone
 Carolyn Marcotte
 Mary Thompson
 Christine Fowler